



COUNTY OF SAN LUIS OBISPO

AUDITOR • CONTROLLER • TREASURER • TAX COLLECTOR

1055 MONTEREY ST. RM. D290
SAN LUIS OBISPO, CA 93408
(805) 781-5831 • FAX (805) 781-5362
<http://sloacttc.com>

JAMES P. ERB, CPA

Auditor-Controller
Treasurer-Tax Collector

James W. Hamilton, CPA
Assistant

June 23, 2014

Edward Durkee, President and CEO
Goodwill Industries of Santa Cruz, Monterey and SLO Counties
Workforce Investment Act Services
350 Encinal St.
Santa Cruz, CA 95060

RE: WORKFORCE INVESTMENT ACT
FISCAL AND PROCUREMENT REVIEW
FINAL MONITORING REPORT
PROGRAM YEAR 2013-2014

Dear Mr. Durkee:

This report is to inform you of the results of our review for Program Year 2013-2014 of the Goodwill Industries of Santa Cruz, Monterey and San Luis Obispo Counties Workforce Investment Act Services (Goodwill Industries) grant financial management and procurement systems. For the fiscal portion of this review, we focused on the following areas: fiscal policies and procedures, accounting system, reporting, program income, expenditures, internal controls, allowable costs, cash management, cost allocation, indirect costs, fiscal monitoring, single audit and audit resolution policies and procedures, and written internal management procedures. For the procurement portion of the review, we examined procurement policies and procedures, methods of procurement, procurement competition and selection of service providers, cost and price analyses and contract terms and agreements.

Our review was conducted under the authority of Section 667.410 (b)(1), (2) & (3) of Title 20 of the Code of Federal Regulations (20 CFR). The purpose of this review was to determine the level of compliance by Goodwill Industries with applicable federal and state laws, regulations, policies, and directives related to the Workforce Investment Act (WIA) grant regarding financial management and procurement for Program Year 2013-2014.

We collected the information for this report through interviews with representatives of Goodwill Industries, a review of applicable policies and procedures, and a review of documentation retained by Goodwill Industries for a sample of reimbursement claims, expenditures and procurements for Program Year 2013-2014.

BACKGROUND

Goodwill Industries was awarded WIA Adult, Dislocated Worker, Rapid Response, and Youth Services funds from the County of San Luis Obispo in the amount of \$1,440,045 to provide

One-Stop system publicity and promotion activities; outreach and recruitment services; and One-Stop career centers facility management and maintenance for FY 2013-2014.

FISCAL REVIEW RESULTS

We determined that, overall, Goodwill Industries is meeting applicable WIA requirements concerning the financial management and procurement systems of this grant for Program Year 2013-2014.

Because the methodology for our monitoring review included sample testing, this report is not a comprehensive assessment of all the areas included in our review. It is Goodwill Industries' responsibility to ensure that its systems, programs, and related activities comply with the WIA grant program, Federal and State regulations, and applicable State directives. Therefore, any deficiencies identified in subsequent reviews, such as an audit, remain Goodwill Industries' responsibility.

We would like to thank Goodwill Industries of Santa Cruz, Monterey and San Luis Obispo Counties and your staff for their cooperation and assistance during our review. If you have any questions regarding this report or the review that was conducted, please contact Suzanne DeWitt, Auditor-Analyst at (805) 781-4846 or Kerry Bailey, Chief Internal Auditor at (805) 788-2979.

Sincerely,

A handwritten signature in dark ink, appearing to read 'J. Hamilton', with a stylized flourish extending to the right.

James Hamilton, CPA
Assistant Auditor-Controller-Treasurer-Tax Collector

Cc: Reva Bear, Department of Social Services Program Manager
Gladys Kintz, Department of Social Services Fiscal Manager
John T. Collins, II, MPH Senior Vice President
Derek Scranton, Finance Staff Accountant, Shoreline Workforce Development Services